



NHRS Bulletin Board



NEW HAMPSHIRE RETIREMENT SYSTEM

A Newsletter for NHRS Participating Employers

Number 26• July 2004

Highlights from the 2004 Legislative session

- **Additional Contributions:** The last day to apply to join the program is 12/30/04.
- **Out-of-State Service Credit:** The time limits for purchases have been removed.
- **Modifications:** Employees who worked for a town, school district or other political division before the employer joined NHRS now have more opportunities to buy prior service credit.



For details, see “**Laws**” article on page 2.

Inside NHRS

Eric Henry, Executive Director of the New Hampshire Retirement System, is leaving to accept a position as Executive Director of the Pennsylvania State Employees’ Retirement System. Merelise O’Connor, Director of Member Services, will serve as Interim Director while the Board of Trustees conducts a national search for a new Executive Director, according to Edward Theobald, Chair of the NHRS Board of Trustees.

Interim Director Merelise O’Connor has extensive experience in public administration, having previously served as Plymouth Town Administrator and Deputy Director of the Governor’s Office of Energy and Community Services. “I look forward to the opportunity to serve the members and Trustees in this interim role. The NHRS staff is committed and dedicated to keeping the focus on quality member services as we go forward,” O’Connor stated. “This agency serves members throughout the state who teach our children, fight fires, protect our communities and work for the public good. Our mission is to administer the benefit structure that the NH legislature and the 469 public employers have provided to those in public service and in retirement. The aging of the baby boomers creates greater challenges for NHRS to meet now and in the years ahead,” O’Connor noted.

Accessing NHRS Member Services

For new hires: A *Summary of Benefits* pamphlet at the time they are given their enrollment and beneficiary forms. If you have an orientation program for new employees, we can send you a brief power point presentation. Please contact tsavoy@nhrs.state.nh.us, if you need pamphlets or are interested in getting a copy of the presentation.

For members at any point in their careers: NHRS presents a regular series of workshops. The schedule is posted and members can register through the website. Publications and forms are available in hard copy or on-line.

For members filing for retirement: Applications are due **at least 30 days**, but not more than 90 days before the effective date of retirement, which is always the first of a month. The application materials can be sent out upon request. Members can call to speak to a Benefits Specialist, weekdays from 8AM - 4PM, at 271-3351 ext. 279. Appointments are available for those who would like assistance in filing their applications.

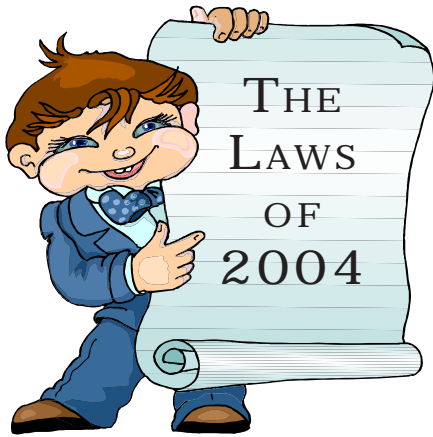


Accessing NHRS Employer Services

- NHRS is in the process of updating the Employer Reporting System User Manual. Do you have suggestions?
- A new round of *Employer Workshops* has been scheduled at NHRS, from 9-12, on the following Wednesdays: August 4, October 6, October 27, November 3 and December 1.
- Check out the **Employer** section of our web site for forms, newsletters, etc. (www.state.nh.us/retirement)

To register for a workshop or to offer input for the ERS manual, contact tsavoy@nhrs.state.nh.us.

Check out the NHRS website, www.state.nh.us/retirement. New retirement planning workshops are posted!



SB 330 is now **Chapter 51**

This bill allows those who entered military service after taking a full-time covered position in NHRS and subsequently return to a covered position within a year of discharge to purchase service time in excess of three years. The passage of this statute makes it congruent with federal law.

NHRS members are currently allowed up to three years of qualified military service at no cost.

SB 329 is now **Chapter 146**

- Allows the board of trustees of the retirement system to recover the overpayment of benefit amounts which were paid after the death of a retiree or beneficiary or after the remarriage of a surviving spouse.
- Extends the year of eligibility of group II disabled members for the payment of medical benefits costs by the retirement system. Group II members hired before 7/1/05 and subsequently retire on Accidental Disability shall qualify for the Medical Insurance Subsidy. (Note: eligibility for Group I members was not extended to those retiring after 7/1/04).
- This bill also makes technical changes to the judicial retirement plan relating to managing assets, required distributions, compensation limits, rollover of returned contributions, and actuarial assumptions.

SB 338 is now **Chapter 216:**

Additional Contributions – the opportunity for NHRS members **to apply** to make Additional Contributions will *end 12/31/04*. The program allows members to build a second annuity, for the purpose of (1) offsetting the Group I Early Service Retirement Reduction, **or** (2) increasing the members pension up to the 50% AFC, for those who will reach age 60, without having 30 years in Group I or 20 years in Group II. This program will be closed to new participants on December 31, 2004. Applications will be accepted until December 30th.

Out of State Prior Service Credit Purchases

- Removal of all time limitations - Members who had prior service with a public employer in another state or with the federal government may apply to purchase that time as creditable service with NHRS *at any point before they retire*. (Previous law restricted the opportunity to make purchases to only those who had a break in service between that job and joining NHRS of no more than 18 months and to those who applied within 5 years of joining NHRS.)
 - Out of state service credit does not count toward eligibility for the Medical Insurance Subsidy. (This did not change)
 - The cost of the purchases is calculated on the employee's share plus the employer's share of contributions, as a percentage of the member's current base pay.

Modifications

- Removal of 5 year limitation – Members who worked for their employer (a municipality, school district or other political subdivision) before their employer joined NHRS can now buy that service *at any point before they retire*, as long as they joined NHRS within a year of the date their employer joined.
 - Modifications service credit purchased after 8/11/03 does not count toward eligibility for the Medical Insurance Subsidy.
 - The cost of the purchases is calculated on the employee's share plus the employer's share of contributions, as a percentage of the member's current base pay.
- Amnesty period for the discontinuation of unauthorized employer contributory plans – Political subdivisions that contributed into retirement plans other than NHRS or a 457 or 403(b) plan will have until 12/31/05 to terminate the plans, in order to allow their employees the opportunity to purchase that service time in NHRS. If they meet the conditions in the bill, employees who were enrolled in these plans will be permitted to purchase that time as creditable service in NHRS. The service time purchased will not count toward eligibility for the Medical Insurance Subsidy.

Bills that were voted Inexpedient to Legislate:

SB 331 – Workers' Comp Offset; **SB 420** – Medical Subsidy for dependent children of disabled firefighters

SB 425 – Medical Subsidy for Group I with Split Benefits; **SB 515** – Automatic Pre-Selection

Continued Interim Study: **HB 116** – to allow group II status for positions in DOC